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C O N F I D E N T I A L JERUSALEM 001820

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NEA FOR FRONT OFFICE; NEA/IPA FOR
WILLIAMS/SHAMPAINE/BELGRADE; NSC FOR ABRAMS/WATERS;
TREASURY FOR SZUBIN/LOEFFLER/NUGENT/HIRSON

E.O. 12958: DECL: 08/28/17

TAGS: [ECON](#) [EFIN](#) [KFTN](#) [PTER](#) [PGOV](#) [KWBG](#)

SUBJECT: PA CLOSES 103 NGOS AND CHARITIES, MOST WITH LINKS
TO HAMAS

Classified By: Acting Principal Officer Thomas Duffy, reasons 1.4 (b) a
nd (d).

¶1. (U) PM Salam Fayyad announced August 27 a PA cabinet decision to dissolve 103 charitable and non-governmental organizations in the West Bank and Gaza due to violations of laws governing civil groups. Publicly, Fayyad denied that the action is aimed at Hamas institutions, asserting that NGO compliance with relevant laws has been under review for a long time. He said that the 103 institutions can appeal the closures. Fayyad urged beneficiaries of these organizations to contact the Ministry of Social Affairs, which will consider extending equivalent assistance on a case-by-case basis. He noted that there are about 2,400 registered NGOs in the West Bank and Gaza.

¶2. (C) In a meeting August 28 with visiting NEA DAS Rob Danin, Fayyad said there was no official proclamation; rather, he announced the initiative in a meeting with print journalists on August 27, and would follow-up with electronic media on August 28. Fayyad said he list of the establishments would be distributed soon. He commented that the initial number of closures "had to be over 100 to make an impact" and that he plans on closing other establishments on a case-by-case basis.

¶3. (C) Palestinian Monetary Authority (PMA) Deputy Governor Jihad al-Wair told Econoff August 28 that most of the institutions are affiliated with Hamas, including many established inappropriately during the period when Hamas led the PA. He said that actions taken against the 103 are based on the Charities Law (Article 38), enforcement of which is the responsibility of the Ministry of Interior. He said the PMA began issuing circulars to banks August 27 to freeze the accounts of the targeted institutions. The names of the 103 institutions will not be made public until these notifications are completed.

. (C) Palestine Stock Exchange CEO Hassan Abu Libdeh told Econchief August 28 that the action was clearly aimed at Hamas-affiliated charities. "If there are non-Hamas charities listed, they are only one or two, and only to give the action 'balance'." Al Ayyam editor Akram Haniyeh told DAS Danin that Fayyad is taking a "very difficult, brave decision" in ordering the charities closed.
DUFFY